GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

Home Department – C.I.D – Attachment of Cash of Rs. 2,86,72,165/- deposited by depositors in Secured Investment Making Services (SIMS) under section 3 of Andhra Pradesh Protection of Depositors of Financial Establishments Act, 1999 – Ad-Interim Orders – Issued.

HOME(GENERAL.A)DEPARTMENT

G.O.MS.No. 48 **Dated: 30-03-2017**
Read the following:

1. G.O.Ms.No.193, Home (Genl.B) Dept., dated 23.8.2001.
2. From the Additional Director General of Police, Crime Investigation Department, Andhra Pradesh, Vijayawada, Letter C.No.2524/C-13/CID/2013, dt:06.02.2017.

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ORDER:

In the reference 1st read above, to safeguard the interests of the depositors, Government have appointed the Additional Director General of Police, Crime Investigation Department or Inspector General of Police, Crime Investigation Department as the case may be as "Competent Authority" under sub-section (1) of section 4 of the Andhra Pradesh Protection of Depositors of Financial Establishments Act, 1999 (Andhra Pradesh Act No.17 of 1999) to exercise control over the properties attached by the Government under section 3 of the said Act.

2. In the reference 2nd read above, the Additional Director General of Police, Crime Investigation Department has stated that during the investigation of the case by CID, it is revealed that the accused Sri Kanamarlapudi Surendra Babu @ Surendra Gupta, S/o Venkateswarlu and Sri R. Tirumala Rao started a private firm in the name and style of Secure Investment Making Services and a company, namely, Secured Investment Making Services (India) Private Limited at H.No.49-16-6, Lalitha Nagar, Akkayyapalem, Visakhapatnam City with stated intent to do real estate business. However, the company collected huge deposits from the public by promising high rates of interest or register a piece of land in lieu of the deposits. They introduced different impractical schemes, gave wide publicity to these schemes and collected deposits of around Rs.340 Crores from 48,439 depositors with fraudulent and dishonest intention and cheated the public. The Managing Director Sri K. Surendra Babu @ Surendra Gupta had postponed the repayment to the depositors and finally on 15.02.2013, the management of SIMS absconded without either repaying the money due or registering a piece of land, as promised.

3. The Additional Director General of Police, CID has stated that based on the complaints of victims at various Police Stations, 12 cases were registered in Visakhapatnam, Vizianagaram, East Godavari and West Godavari Districts. He has also stated that later, the above cases were transferred to CID for further investigation.

4. The Additional Director General of Police, CID stated that earlier, Government have issued ad-interim orders for attachment of properties in respect of Secure Investment Making Services (SIMS) on the proposals submitted by him and affidavits were filed in the concerned courts to make the orders of attachment of properties absolute.

5. The Additional Director General of Police, CID has also stated that during the course of investigation, it came to light that the accused company gave advances to many individuals for purchase of property out of the money collected from the depositors. However, they did not get them registered in the name of the accused company and money is still lying with the individuals. The IO approached many of them

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and asked them to return the advance amount as the money paid to them by the accused company was acquired from the general public illegally. With the permission of the Hon'ble Metropolitan Sessions Judge Court, Visakhapatnam, an SB Account No.164901000005005 was opened on 27.09.2013 in Indian Overseas Bank, Siripuram Junction Branch, Visakhapatnam for this purpose. Subsequently, several people came forward and deposited Rs. 2,86,72,165/- in the said account. Out of which, Rs.2,12,71,469/- was made as Fixed Deposit in the same Bank in the name of the Competent Authority/Addl. Director General of Police, CID, AP and the remaining balance amount of Rs.74,00,696/- is available in the said Account.

6. The Additional Director General of Police, CID has therefore requested that the Government of Andhra Pradesh may pass an ad-interim order for attaching the above mentioned amount of Rs. 2,86,72,165/- along with the interest that would be accrued in due course of time and duly authorizing him under section 3 of the Andhra Pradesh Protection of Depositors of Financial Establishments Act, 1999 to file an application before the concerned court to make the orders absolute.

7. In the circumstances reported by the Additional Director General of Police, Crime Investigation Department, Andhra Pradesh and the Competent Authority, Government have examined the matter carefully in the light of the provisions of the Andhra Pradesh Protection of Depositors of Financial Establishments Act, 1999 (Act No.17 of 1999) and hereby pass an ad-interim order under section 3 of the said Act, for attachment of Rs. 2,86,72,165/- along with the interest that would be accrued in due course of time to protect the interests of the depositors of the said defaulted financial establishment.

8. The Additional Director General of Police, Crime Investigation Department, Andhra Pradesh, being the Competent Authority is requested to take necessary further action in the matter accordingly as per the provisions of the said Act and the rules made thereunder, following due procedure and send compliance report to the Government.

9. This order is available on internet and can be accessed at address www.goir.ap.gov.in.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

A.R.ANURADHA
PRINCIPAL SECRETARY TO GOVERNMENT

To
The Additional Director General of Police, Crime Investigation Department, Andhra Pradesh, Vijayawada.
Copy to:
The O.S.D. to Dy .C. M (Home)
The P.S. to M (Finance)
The Director General of Police,
Andhra Pradesh, Vijayawada.
The PS to Principal Secretary to Government, Home Department.
The Law(C) Department.
The concerned shown in the annexure through Additional Director General of Police, Crime Investigation Department, Hyderabad.
The Financial Experts Committee on Ponzy Schemes in Andhra Pradesh (through Additional Director General of Police, CID), Hyderabad.
The Collectors & District Magistrates , Visakhapatnam, Vizianagaram, East Godavari and West Godavari Districts.
The SF/SC.

//FORWARDED : : BY ORDER//

SECTION OFFICER